

Message Text

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E.O. 11652: GDS

TAGS: AFSP RO OVIP (CEAUSESCU, NICOLAE)

SUBJECT: SUGGESTED BRIEFING PAPERS FOR CEAUSESCU VISIT:
BILATERAL ADMINSTRATIVE: ODCD TAKEOVER OF EMBASSY
EMPLOYEES

1. FOLLOWING ARE POST SUGGESTIONS FOR BRIEFING PAPER TO
BE USED IN DEPARTMENT DISCUSSIONS WITH ROMANIANS DURING
APRIL 12-13 CEAUSESCU VISIT, FOR WHAT THEY ARE WORTH.

2. BACKGROUND. THE GOR ANNOUNCED IN APRIL 1977 THAT UNDER
THE PROVISIONS OF A NEW LAW (DECREE 81, LATER CALLED 243)
FOREIGN ENTITIES INCLUDING EMBASSIES EMPLOYING ROMANIANS IN
ROMANIA WOULD DO SO AFTER JULY 21, 1977 ONLY THROUGH AN IN-
TERMEDIARY GOVERNMENT BUREAU WHICH IS THE CASE OF EMBASSIES
WOULD BE THE OFFICE FOR SERVICES TO THE DIPLOMATIC CORPS (AN
ARM OF THE MINISTRY OF FOREIGN AFFAIRS). THE NEW LAW PROVIDED:
THAT THREE-PARTY CONTRACTS BETWEEN THE EMPLOYER, EMPLOYEE,
AND THE ODCD WOULD BE WRITTEN; THAT SALARIES, WORKING HOURS,
BENEFITS AND OTHER TERMS OF EMPLOYMENT WOULD BE DETERMINED
BY THE GOR AND NOT BY THE EMPLOYER; QVHAT THE CONTRACTS COUT
BE TERMINATED BY ANY ONE OF THE PARTIES UPON 30 JAYS' NOTICE;
AND THAT ROMANIANS WORKING FOR FOREIGNERS WITHOUT THE NECESSARY
CONTRACTS WOULD BE SUBJECT TO HEAVY FINES. IN ESSENCE AND IM-
PLEMENTATIONTHE LAW ABOLISHED A FREE LABOR MARKET FOR FOREIGN
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EMPLOYERS IN ROMANIA; MADE ALL ROMANIANS PREVIOUSLY EMPLOYED
BY FOREIGNERS AND THE EMPLOYEES OF THE GOR; AND IN THE CASE OF
U.S. EMBASSY EMPLOYEES WOULD HAVE RESULTED IN A REDUCTION IN
TAKE-HOME PAY OF APPROXIMATELY 11 PERCENT. BECAUSE OF THE
STRONG OBJECTIONS OF FOREIGN EMPLOYERS AND PARTICULARLY OF EM-1/
?- 83 , THE GOR INITIALLY POSTPONED IMPLEMENTATION OF THE
NEW LAW--BUT ONLY UNTIL JANUARY 1, 1978, WHEN IT CAME INTO EFFECT.

TO DATE NONE OF THE NATO EMBASSIES HAS SIGNED THE CONTRACTS OR ACCEPTED THE SALARY LEVELS CALLED FOR BY DECREE 243, AND ROMANIAN EMPLOYEES OF THESE EMBASSIES ARE NOW WORKING ILLEGALLY. THE U.S., FRG, UK AND DUTCH EMBASSIES HAVE PROPOSED MODIFIED CONTRACTS; SUBSEQUENTLY THE U.S. PROPOSED AN INTERGOVERNMENTAL AGREEMENT EXCEPTING CURRENT EMPLOYEES FROM THE PROVISIONS OF THE NEW SYSTEM AND RETAINING DEFINITION OF FUNCTION IN U.S. JURISDICTION FOR BOTH PRESENT AND FUTURE EMPLOYEES; AND THE FRG AND NETHERLANDS ARE EXPECTED TO PROPOSE SIMILAR AGREEMENTS.

ROMANIAN POSITION

3. THE GOR STATES THAT IT IS THE RIGHT OF THE STATE TO REGULATE THE WORKING CONDITIONS AND TERMS OF EMPLOYMENT INCLUDING SALARY LEVELS OF ALL ROMANIAN CITIZENS SO THAT UNIFORM STANDARDS CAN BE ESTABLISHED AND MAINTAINED; INCONSISTENCIES AND INEQUITIES RESULT WHEN EXCEPTIONS TO THIS PRINCIPLE ARE PERMITTED IN THE CASE OF INDEPENDENT FOREIGN EMPLOYERS.

4. U.S. POSITION

CONTINUED EMPLOYMENT OF QUALITY PERSONNEL AT THE U.S. EMBASSY IS A VITAL ELEMENT IN IMPROVING U.S.-ROMANIAN RELATIONS. THE USG RECOGNIZES THE RIGHT OF THE GOR TO ESTABLISH SALARY RATES FOR ITS CITIZENS BUT OPPOSES CHANGES WHICH WILL RESULT IN SIGNIFICANTLY REDUCED PAY LEVELS FOR MANY EMPLOYEES WHO HAVE CONFIDENTIAL

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OFFERED YEARS OF LOYAL SERVICE AND THREATEN EMPLOYEES WITH SANCTIONS AND DIMINISHED JOB SENIORITY.

5. TALKING POINT

DECREE 243 PROVIDES THAT A FOREIGN EMPLOYER MAY BE EXEMPTED FROM THE LAW'S PROVISION CONCERNING THREE-PARTY CONTRACTS IF AN AGREEMENT TO THAT EFFECT EXISTS BETWEEN THE GOR AND THE GOVERNMENT IN QUESTION. THEREFORE, THE USG HAS PROPOSED AN EXECUTIVE AGREEMENT BY WHICH THE REQUIREMENT OF THE LAW WOULD BE WAIVED IN THE CASE OF ROMANIANS HIRED BY THE U.S. EMBASSY BEFORE JANUARY 1, 1978. WE ARE LOOKING FORWARD TO THE GOR'S RESPONSE AND TO DISCUSSIONS LEADING RAPIDLY TO A MUTUALLY SATISFACTORY RESOLUTION OF THIS ISSUE.

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